

HOUSE BILL 24
By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 10; Title 9, Chapter 9, Part 1 and Title 67, relative to the distribution of surplus state revenue. This act makes appropriations for the purpose of redistributing surplus state revenue to county governments for an indefinite period of time.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 10, is amended by adding the following language as a new section:

Section 4-3-1016. By September 15 each year, the commissioner of the department of finance and administration shall certify the amount of surplus state revenue collected during the preceding fiscal year and notify the governor, speaker of the senate, speaker of the house and state treasurer of such amount. No later than December 1 each year, such surplus state revenue shall be distributed to the various counties on the basis of population to be used in accordance with the provisions of Section 2 of this act.

SECTION 2. Tennessee Code Annotated, Section 67-5-510, is amended by designating the existing language as subsection (a) and by adding the following language as a new subsection (b):

(b)

(1) In fixing tax rates in accordance with subsection (a), each county legislative body shall decrease such rates on all properties to reduce the rates in an amount reasonably calculated to reduce revenue from such taxes in an

amount substantially equal to funds distributed to the county in accordance with the provisions of §4-3-1016.

(2) No tax rate in excess of a reduced tax rate as provided for in this subsection (b)(1) shall be levied by the county legislative body until a resolution has been approved by the legislative body according to the following procedure:

(A) The county legislative body shall advertise its intent to exceed the reduced tax rate in a newspaper of general circulation in the county, and the chief executive officer of the county shall within thirty (30) days after publication furnish to the state board of equalization an affidavit of publication; and

(B) The county legislative body, after public hearing, may adopt a resolution levying a tax rate in excess of the reduced tax rate.

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it, and shall apply to fiscal years ending on and after June 30, 2005.